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IWVWD Releases Independent Cost Analysis of IWVGA's Pipeline Project

RIDGECREST, CA – The Indian Wells Valley Water District (District) retained an independent financial consultant to conduct a detailed cost analysis of the proposed Imported Water Pipeline Project, revealing that the project's costs are significantly higher than previously estimated.

The Imported Water Pipeline Project, identified in the Groundwater Sustainability Plan (GSP) by the Indian Wells Valley Groundwater Authority (GA) in 2020, aims to transport treated water from the Antelope Valley-East Kern Water Agency (AVEK) pipeline in California City to a new Terminus Tank near Ridgecrest. The project includes the construction of the pipeline, pump stations, storage tanks, and related facilities.

The cost analysis by the District's independent consultant, Clean Energy Capital, was performed to determine the short- and long-term financial obligation of the District if the pipeline were to be installed as planned by the GA. The analysis has revealed the overall construction cost of the pipeline project, including a 20% contingency, is \$325 million in 2024 dollars. When accounting for future cost escalations, the total project construction cost could reach up to \$381 million. Additionally, the yearly operations and maintenance cost is predicted to be \$12.9 million in 2024 dollars.

The District will formally submit a copy of Clean Energy Capital's cost analysis to the GA at the GA's next Board meeting this Wednesday, June 12, in response to the GA's request for new data as it hosts a public workshop on its GSP update.

With the cost analysis, the District also plans to formally submit to the GA a copy of the Technical Working Group paper—Assessment of Groundwater Storage for the Indian Wells Valley Groundwater Basin. The Technical Working Group is composed of 6 professional groundwater science and engineering consulting firms appointed by entities who accounted for more than 80% of the valley's total groundwater production in Water Year 2022, including the District.

The District will also provide a copy of these documents to the Department of Water Resources, and these documents will be available on the District's website iwvwd.com.

The District is committed to transparent and responsible financial planning. We invite all stakeholders and community members to participate in discussions about this cost analysis. The Public's input is essential as we work together to find solutions that ensure long-term water security for the entire basin. Let's collaborate to address these challenges and develop strategies that work for everyone in our community.

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About IWVWD

The mission of the IWVWD is to deliver the highest quality water at the best possible price while continuing to serve as respectful stewards of the environment.

